



KONA SEA VILLAS
KOMO KAUHALE NEWSLETTER
"FROM OUR HOME TO YOURS"



The next Kona Sea Villas Board of Directors meeting will be held at the Kona Outdoor Circle 76-6280 Kuakini Hwy, on Friday August 26, 2005 at 6 p.m. 2005. This will be the Budget meeting, please attend !!!!!

SPECIAL ASSESSMENT

AUGUST 2005

The Board of Directors, Hawaiiana Management, and many owners have been closely scrutinizing the Budget that was adopted last January. It has become obvious that the budget simply has fallen short of meeting the Associations needs. There are five primary reasons the budget is under funded.

1. Unbudgeted expenses: The Association was required to conduct exterior inspections on all 13 buildings at a cost of app. \$1,000 per building.
2. Landscape costs are app. \$4,000.00 to \$5,000.00 a month higher then budgeted.
3. Water & Sewer expenses are extremely high and are almost double the budgeted amounts.
4. Insurance cost of app. \$48,000.00 was not explained properly and as a result was not budgeted appropriately. This was due to the timing of the turn over from the developer to the owners.
5. The initial budget and maintenance fees were simply set to low. The initial budget and maintenance fees should have been estimated significantly higher then they were.

The purpose of the Special Assessment is to refund the Associations reserve accounts (as required by law) and ensure that the Association has enough money to continue day to day operations. Kona Sea Villas has not been able to place any money into the reserve account this year. In fact, it has been necessary to use reserve funds just to meet the Associations current obligations. Simply put, the monthly maintenance fees that each owner pays are not enough to cover the Association's monthly expenses or fund the reserve account.

♦ **The Board voted on and unanimously approved the Special assessment. A notice has been sent in the mail which outlines all of the details. Each owner has been assessed based on their percentage of ownership as listed below.**

%0.018720	\$2,021.76	x 16 units
%0.018710	\$2,020.68	x 8 units
%0.010410	\$1,124.28	x 24 units
%0.012540	\$1,354.32	x 24 units

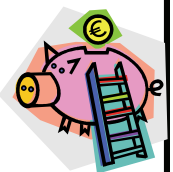
New Kona Sea Villas Website
Don't forget to check out the website: konaseavillas.com

The Special Assessment is due in full by October 1st, 2005. If you need special assistance please contact Association Manager, Jason Cleveland (808) 443-3421.

BUDGET 2006

The Board of Directors and Management have been reviewing the budget and based on, unforeseen expenses, rising prices, ideal reserve funding, and actual 2005 expenses, that an increase is necessary for 2006. We have started the budget process three months earlier then normal because the Board wanted owners to be apprised of the budget situation as soon as possible.

It is our sincere goal that by making these necessary corrections now the Association will be able to avoid under funding the operating and reserve accounts. By ensuring the financial stability of the Association now, we also hope to avoid future special assessments. To avoid the long term "traps" it is extremely important to catch up and stay ahead of the financials on a yearly basis.



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Kona Sea Villas Contact Information

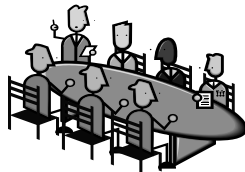
President: Tom Reilly
Vice Pres.: Jay Hanson
Secretary: Claudia Christman
Treasurer: Scott Schneider
Director: Sophia Russel
Director: Tom Walton
Director: Rick Wilson
Director: Tally Sturm
Director:

Association Mgr: Jason Cleveland
Jason@hmcmtg.com
Office # (808) 930-3218 ext. 371
Fax # (808) 325-2645

Site Manager: Larry & Claudia Elmore
Konaseavillas@yahoo.com
Office # (808) 331-1082
Fax # (808) 331-0975

All correspondence directed to the Board of Directors should be addressed to:

Kona Sea Villas
ATTN: Jason Cleveland
P.O. Box 1537
Kailua-Kona, HI, 96745-1537



Landscaping

Big Island Landscaping has been aggressively treating for White Fly. We have also been removing some White Fly infested plants and we are replacing those plants with shrubs and flowers that can protect themselves from the nasty little critters.

Larry is assisting Nane and her crew battling the giant snails that are attempting to invade and take over the property. We have perimeters located around the property and we are killing several hundred per day. We have also contacted the state to see if they will provide any assistance on the undeveloped properties that surround us. We will keep you posted!

Managers Message

The developer and his contractors have verbally agreed to bring in some heavy equipment to make changes to the grading around the perimeter of the property. We anticipate that they would start at the entrance of the property, parallel Kuakini, drop down the side of the property by the F building and around the back side of the G, H, I, J, K, and L buildings.

Rick Leone, of Bodell Construction has been placed in charge of completing these landscaping and drainage corrections. Rick attended last months meeting and re-assured owners that they are working towards completing the Associations list of concerns throughout the common area. This may also include the replanting of some of the slopes with a denser ground cover.

The Board recognizes that Special Assessments are never popular and believe me it was the last thing any Board member wanted to have to do. After many months of watching and reviewing the financial statements the Board felt it was absolutely necessary to levy the special assessment at this time. On behalf of the Board of Directors, I apologize for any hardship this assessment may have created.
Sincerely, Jason Cleveland

CC&R's AWARENESS, RULES VIOLATIONS

NO GLASS AT THE POOL
NO BEER BOTTLES
NO DRINKING
WHILE IN THE POOL

NO KIDS UNDER 14 YEARS OF AGE
UNLESS ACCOMPINED BY THEIR
PARENT OR GUARDIAN
NO PETS EVER

NO FOOD WITHIN
4 FEET OF THE
WATER
ALWAYS HAVE A BUDDY

The State of Hawaii requires out of State vehicles to switch their tags over to the State of Hawaii within one month of arrival. The Association is obligated to remind our owners that are traveling throughout the year to check their tags and make the appropriate corrections, before law enforcement does it for you.

Please use your garage to park you vehicles. Please do not park in guests stalls, and as always please park in your deeded marked stall. *These simple things really please all of your neighbors. Relationships with your neighbors will improve to, along with overall appearance of the neighborhood.*

All home warranty requests should be sent directly to the builders (Bodell) local FAX number at (808) 329-8836 !!!